

CHAIRMAN'S MESSAGE

President Obama set forth a bold challenge this year in his National Export Initiative: double U.S. exports to \$3.14 trillion by 2015. This effort will support two million American jobs. Given that our nation is the largest manufacturer of goods and services in the world, this goal can be achieved.

The Export-Import Bank of the United States is helping to meet that challenge by supporting American companies and jobs at levels greater than at any time in our 76-year history. As a self-sustaining agency, the Bank does this important work without cost to the American taxpayer.

With the close of fiscal year 2010, the Bank reported a second consecutive record-breaking year of \$24.5 billion in export financing, up 70 percent from FY 2008. These transactions supported \$34.4 billion worth of American exports and an estimated 227,000 American jobs at more than 3,300 U.S. companies. Our total export-finance portfolio is now \$75 billion.

It truly was a record-setting year as the Bank once again stepped up to meet the unprecedented financial challenges facing our nation, and, as we begin fiscal year 2011, the Bank is expanding its efforts to ensure that American exporters have access to capital and that American companies understand the enormous opportunities available through export financing.

To be in a position to provide the most effective assistance to American companies, the Bank undertook a rigorous strategic review last summer. We identified ways to expand the awareness of Ex-Im services through increased outreach and effective partnerships, and improve our turnaround time of our transactions. In addition, we developed four key programmatic goals to increase the overall volume of U.S. exports:

- Increase the number of small and medium-sized businesses using Ex-Im products
- Support environmentally beneficial exports, with a particular focus on renewable energy
- Target business development to countries with high potential for U.S. export growth
- Build expertise and tailored offerings in industries with high potential for U.S. export growth

Through implementation of this plan, the Bank continues to respond to the global financial crisis and is on track to do its part to meet the President's goal of doubling exports in five years.



Small and Medium-Sized Business

Of Ex-Im Bank's fiscal year 2010 authorizations, more than \$5 billion was for small businesses – another record for the Bank.

In a time of financial uncertainty, we worked to ensure that small and mid-sized businesses – the foundation of our economy – were at the forefront of our outreach efforts.

These efforts paid off with more than 700 small businesses working with Ex-Im Bank for the first time. In addition, approximately 85 percent of the Bank's transactions were with American small businesses, and Ex-Im Bank has helped almost 2,000 small businesses expand their export sales in 2010. We also took concrete steps to improve turnaround time for clients and are working to build upon these efforts in the upcoming fiscal year.

We understand the unique needs of small and mid-sized businesses that are looking to export their products, and we are creating financial tools tailored to ensure that these companies have the capital required to gain access to key export markets.

Renewable-Energy Transactions

For fiscal year 2010, Ex-Im Bank tripled its renewable energy export financing to over \$300 million, an all-time high, setting a new record.

Going forward, demand for renewable-energy sources, such as wind and solar power, will grow exponentially, and we believe that U.S. manufacturing can lead the way in these technologies around the globe.

New Products

To better meet the needs of small businesses and renewable-energy companies, Ex-Im Bank rolled out several innovative new products in fiscal year 2010, including small-business export-credit reinsurance for private insurers; a supply-chain finance product that is providing competitively priced working capital finance to suppliers of U.S. exporters, particularly for small and medium-sized enterprises; and Solar Express, a product that is streamlining financing for U.S. exports to small solar-energy projects.

Countries with High Potential for U.S. Export Growth

As part of this strategic review, the Bank completed a thorough analysis of countries and industries with high potential for U.S. export growth. These countries include Mexico, Brazil, Colombia, Turkey, India, Indonesia, Vietnam, Nigeria, and South Africa. They were selected because of their growing GDP, their appetite for infrastructure investment and because they are places where innovative financing can make a real difference for U.S. companies.

Industries with High Potential for U.S. Export Growth

Ex-Im Bank has built a particular depth of expertise in transportation financing, particularly in aircraft financing, allowing us to serve that sector's needs in innovative ways. We have a thorough understanding of the industry, both the manufacturers and buyers, and have structured many asset-based lending transactions. That knowledge has been invaluable in boosting U.S. aerospace and rail exports to markets in Africa, South America and Asia that previously had been viewed as too risky.

We have identified several other industries that can benefit from such a tailored or focused approach. These are medical technology, construction, agricultural and mining equipment, and power (both renewable and conventional). Such sectors support critical infrastructure needs around the world and address the demands of a growing middle class in developing markets.

The Year Ahead

As the chairman of Export-Import Bank, I have the privilege of working with American business leaders and entrepreneurs who are building innovative companies in the United States that export their products around the world.

They are selling wind turbines, solar cells, medical technology, farm equipment, aircrafts and automobiles. And in the process, they are creating good American jobs and strong communities in areas that have been the hardest hit by the recession. They are small and mid-sized business owners and large corporations.

Our central objective at Ex-Im Bank is to ensure that when these American companies sell their products in the global marketplace they have the financial products, resources and relationships they need to compete and succeed.

As these successful Ex-Im transactions add up, more American products are being sold in more key markets abroad, creating more profits and more good jobs here at home at no cost to the American taxpayer.

In a difficult economic climate, increasing exports and access to foreign markets is a proven tool for growing our economy and creating durable jobs. The United States is well-positioned to capitalize on the types of products that infrastructure-hungry markets are demanding.

The world wants what America makes.

That is why I am bullish on the future of U.S. business and why I am encouraged by the vital role a growing U.S. export market will play in rebuilding our economy in fiscal year 2011.

Sincerely,



Fred P. Hochberg
Chairman and President